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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 01/01/2003 AND ENDING 12/31/2003  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

AB Wong Capital, LLC

OFFICIAL USE ONLY

FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

11 Broadway, Suite 1010

(No. and Street)

New York

New York

10004

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Alice Boote

(212) 480-2127

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Kempisty &amp; Company, Certified Public Accountants, P.C.

(Name - if individual, state last, first, middle name)

15 Maiden Lane, Suite 1003

New York

New York

10038

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

THOMSON  
FINANCIAL

PROCESSED

MAR 16 2004

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2).

Potential persons who are to respond to the collection of  
information contained in this form are not required to respond  
unless the form displays a currently valid OMB control number.

SEC 1410 (06-02)

SW

## OATH OR AFFIRMATION

I, Alice Boote, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AB Wong Capital, LLC, as of December 31, 20 03, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DIERDRE STEINHAUS AINBINDER  
Notary Public, State of New York  
No. 01A14899711

Qualified in Nassau County  
Commission Expires July 6, 20 05

Dierdre Steinhaus Aimbinder  
Notary Public

Alice Wong Boote  
Signature

Managing Member

Title

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of financial condition.
- ☒ (c) Statement of income (loss).
- ☒ (d) Statement of cash flows.
- ☒ (e) Statement of changes in stockholders' equity or partners' or sole proprietor's capital.
- ☐ (f) Statement of changes in liabilities subordinated to claims of general creditors.
- ☒ (g) Computation of net capital for brokers and dealers pursuant to Rule 15c3-1.
- ☐ (h) Computation for determination of reserve requirements pursuant to Rule 15c3-3.
- ☐ (i) Information relating to the possession or control requirements for broker and dealers under Rule 15c3-3.
- ☒ (j) A reconciliation, including appropriate explanation, of the computation of net capital under Rule 15c3-1 and the computation for determination of the reserve requirements under exhibit A of Rule 15c3-3.
- ☐ (k) A reconciliation between the audited and unaudited statements of financial condition with respect to methods of consolidation.
- ☒ (l) An oath or affirmation.
- ☐ (m) A copy of the SIPC supplemental report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent auditor's report on internal accounting control.
- ☐ (p) Schedule of segregation requirements and funds in segregation – customers regulated commodity futures account pursuant to Rule 171-5.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**FINANCIAL STATEMENTS**  
**AND ADDITIONAL INFORMATION**

**YEAR ENDED DECEMBER 31, 2003**  
**WITH SUPPLEMENTARY REPORT**  
**OF INDEPENDENT PUBLIC AUDITOR**

**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**DECEMBER 31, 2003**

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# KEMPISTY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

15 MAIDEN LANE - SUITE 1003 - NEW YORK, NY 10038 - TEL (212) 406-7272 - FAX (212) 513-1930

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## INDEPENDENT AUDITORS' REPORT

To the Members of  
AB Wong Capital, LLC

We have audited the accompanying statement of assets, liabilities and members' equity of AB Wong Capital, LLC (a Company in the Development Stage) as of December 31, 2003 and the related statements of income and expenses, members' equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AB Wong Capital, LLC (A Company in the Development Stage) at December 31, 2003 and the results of its' operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II and III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kempisty & Company CPAs, P.C.*

Kempisty & Company  
Certified Public Accountants PC  
New York, New York  
February 13, 2004

**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY**

**DECEMBER 31, 2003**

**ASSETS**

Cash	\$ 30,195
Fixed Assets (net of accumulated depreciation of \$138)	13,564
Security Deposits	3,275
Prepaid Expenses	<u>2,679</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>49,713</u></b>

**LIABILITIES AND MEMBERS' EQUITY**

Accounts Payable and Accrued Expenses	\$ <u>6,690</u>
<b>TOTAL LIABILITIES</b>	<b>6,690</b>
Commitments and Contingent Liabilities	
Members' Equity	<u>43,023</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ <u>49,713</u></b>

**The accompanying notes are an integral part of these financial statements.**

**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**STATEMENT OF INCOME AND EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

Revenues:

\$ -

Total Income

-

Expenses:

Professional fees	30,520
Occupancy	8,667
Regulatory fees	5,379
Office supplies and expenses	2,296
Communications	751
Depreciation and Amortization	138
Miscellaneous	<u>3,306</u>

Total Expenses

51,057

Net loss

\$ (51,057)

The accompanying notes are an integral part of these financial statements.

**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**STATEMENT OF CHANGES IN MEMBERS' EQUITY**

**FOR THE YEAR ENDED DECEMBER 31, 2003**

Members' equity at January 1, 2003	\$ -
Capital contributions	94,080
Net loss	<u>(51,057)</u>
Members' equity at December 31, 2003	<u>\$ 43,023</u>

**The accompanying notes are an integral part of these financial statements.**



**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**STATEMENT OF CASH FLOWS**

**FOR YEAR ENDED DECEMBER 31, 2003**

Increase (Decrease) in cash

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net loss	\$ (51,057)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation and amortization	138
Changes in operating assets and liabilities:	
(Increase) in security deposits	(3,275)
(Increase) in prepaid expenses	(2,679)
Increase in accounts payable and accrued expenses	6,690
Total adjustments	<u>874</u>

NET CASH USED BY OPERATING ACTIVITIES	(50,183)
---------------------------------------	----------

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of fixed assets	<u>(13,702)</u>
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CASH USED BY INVESTING ACTIVITIES	<u>(13,702)</u>
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**CASH FLOWS FROM FINANCING ACTIVITIES:**

Capital contributions	<u>94,080</u>
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CASH PROVIDED BY FINANCING ACTIVITIES	<u>94,080</u>
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NET INCREASE IN CASH	30,195
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CASH - Beginning of year	<u>-</u>
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CASH - End of year	<u><u>\$ 30,195</u></u>
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**The accompanying notes are an integral part of these financial statements.**

**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2003**

**NOTE 1- ORGANIZATION AND NATURE OF BUSINESS**

AB Wong Capital, LLC, a New York limited liability company (the "Company") is registered as a securities broker-dealer with the Securities and Exchange Commission ("SEC") and became a member of the National Association of Securities Dealers, Inc. ("NASD") in September 2003.

During 2003 the Company has been in the development stage.

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cash and Cash Equivalents

All short-term investments with an original maturity of three months or less are considered to be cash equivalents.

Concentration of Credit Risk

The Company is engaged in various investment and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Securities transactions and related income and expenses are recorded on the books on a trade date basis.

**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2003**

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Depreciation and Amortization

The cost of furniture and equipment is depreciated over the estimated useful lives of the related assets of five to seven years. Software is depreciated over 5 years. The cost of leasehold improvements is amortized over the lesser of the length of the related lease or the estimated useful life of the assets. Depreciation is computed on a straight line basis for financial reporting purposes and on an accelerated basis for income tax purposes. Leasehold improvements for income tax purposes are amortized in accordance with Internal Revenue Service regulations.

Comprehensive Income

The Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS No. 130"). SFAS No. 130 requires an entity to report comprehensive income and its components and increases financial reporting disclosures. This standard has no impact on the Company's financial position, cash flows or results of operations since no elements of the Company's comprehensive income exist other than the loss from operations.

**NOTE 3- INCOME TAXES**

No provisions for federal and state income taxes are made in the financial statements as these taxes are the responsibility of the members under this form of organization.

**NOTE 4- COMMITMENTS AND CONTINGENCIES**

Operating Leases

The Company has a lease agreement for office space which expires in January 2009. During 2003 the Company paid \$8,667 in rent expense.

Remaining commitments under the operating leases are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2004	\$ 16,883
2005	18,700
2006	19,262
2007 and thereafter	41,981
	<u>\$ 96,826</u>

**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2003**

**NOTE 5- NET CAPITAL REQUIREMENTS**

The Company is a member of the New York Stock Exchange and is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1. This Rule requires that the ratio of aggregate indebtedness to net capital may not exceed 15 to 1 (except during the first year of operations in which the ratio may not exceed 8 to 1), and equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2003, the Company's net capital was \$23,505 which was \$18,505 in excess of its required net capital of \$5,000. The Company's aggregate indebtedness to net capital ratio was 0.2846 to 1.

**NOTE 6- CLEARING AGREEMENT**

In September 2003 the Company entered into a clearing agreement with a clearing broker dealer. The clearing agreement was funded with a \$35,000 deposit during February 2004. Pursuant to the clearance agreement the Company will clear all of its securities transactions through the clearing broker. Under certain conditions as defined in the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions initiated by the Company. Additionally, the Company is liable for monthly minimum clearing charges beginning six months from its first trade, as defined in the agreement.

**SUPPLEMENTARY INFORMATION PURSUANT TO RULE 17a-5**  
**OF THE SECURITIES EXCHANGE ACT OF 1934**

**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**SCHEDULE I**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE**  
**SECURITIES AND EXCHANGE COMMISSION**  
**DECEMBER 31, 2003**

NET CAPITAL:		
Members' equity		\$ 43,023
Less non-allowable assets and deductions:		
Fixed assets, net	13,564	
Security Deposits	3,275	
Prepaid expenses	<u>2,679</u>	
		19,518
NET CAPITAL		\$ <u>23,505</u>
AGGREGATE INDEBTEDNESS, total liabilities		\$ <u>6,690</u>
MINIMUM NET CAPITAL REQUIRED (6.67% of aggregate indebtedness)		\$ <u>446</u>
MINIMUM NET CAPITAL DOLLAR REQUIREMENT		\$ <u>5,000</u>
MINIMUM NET CAPITAL REQUIRED		\$ <u>5,000</u>
EXCESS NET CAPITAL (\$23,505 - \$5,000)		\$ <u>18,505</u>
PERCENTAGE OF AGGREGATE INDEBTEDNESS TO	\$ 6,690	
NET CAPITAL	<u>\$ 23,505</u>	<u>28.46%</u>

**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**SCHEDULE II**  
**RECONCILIATION OF COMPUTATION OF NET CAPITAL UNDER**  
**RULE 17a-5(d) (4) OF THE SECURITIES AND EXCHANGE COMMISSION**  
**DECEMBER 31, 2003**

NET CAPITAL, as reported in Company's Part II-A Focus Report (Unaudited)	\$ 24,705
Audit adjustments	
Decrease in non allowable assets	3,833
Increase in accrued expenses	(1,200)
Increase in expenses	<u>(3,833)</u>
NET CAPITAL, per audit	<u>\$ 23,505</u>

**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**SCHEDULE III**  
**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS**  
**UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**  
**DECEMBER 31, 2003**

The Company is exempt from the Securities and Exchange Commission Rule 15c3-3 and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers".



**AB WONG CAPITAL, LLC**  
**(A Company in the Development Stage)**

**INDEPENDENT PUBLIC ACCOUNTANTS' SUPPLEMENTARY REPORT ON  
INTERNAL ACCOUNTING CONTROL**

**DECEMBER 31, 2003**

# KEMPISTY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

15 MAIDEN LANE - SUITE 1003 - NEW YORK, NY 10038 - TEL (212) 406-7272 - FAX (212) 513-1930

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AB Wong Capital, LLC  
New York, New York

In planning and performing our audit of the financial statements of AB Wong Capital, LLC (A Company in the Development Stage) (the "Company") for the year ended December 31, 2003, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a) (11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraphs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

AB Wong Capital, LLC

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2003 to meet the Commission's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, The NASD, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Kempisty & Company CPAs, P.C.*

Kempisty & Company  
Certified Public Accountants PC  
New York, New York  
February 13, 2004